



Digital Article / Environmental Sustainability

Make the Business Case for Your Sustainability Initiative

Chief sustainability officers need to talk about cash flow, risk, and return.

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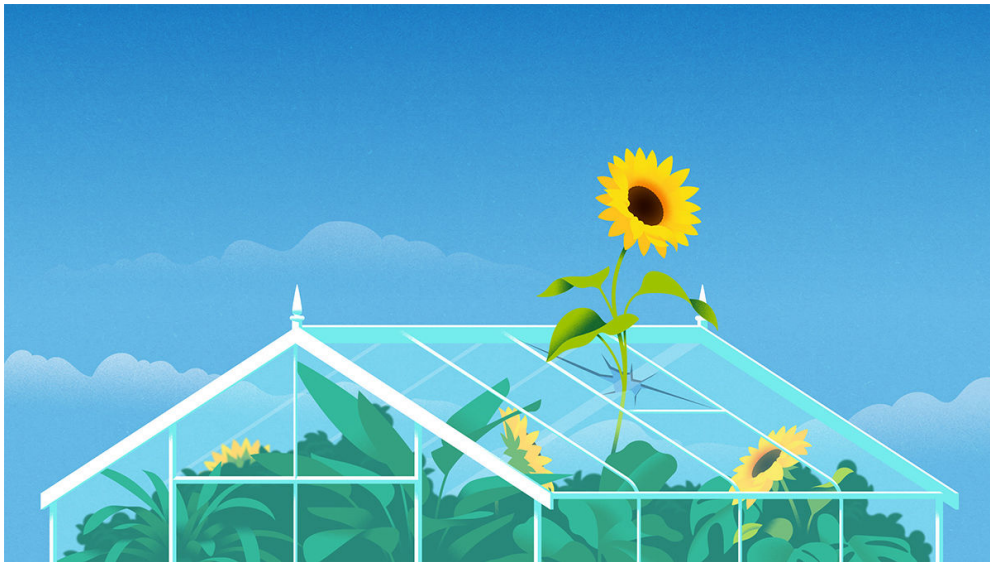


Illustration by Deanna Halsell

A chief sustainability officer presents the case for an investment to her company’s senior leadership team. Heads nod. There is no pushback. But the meeting ends, as many do, without a clear commitment. A few weeks later, the proposal is still circulating, still waiting on “a bit more analysis.”

Such sustainability stall-outs happen in boardrooms all over the world, the result of a language mismatch between the chief sustainability officer (CSO) and chief financial officer (CFO). The CSO speaks in terms of impact, materiality, and disclosure—a language sustainability teams have learned to speak fluently. However, the CFO and CEO are listening for the language every investment has to speak to get capital: cash flow, risk, and return. When those languages don't align, even strong proposals stall.

Deloitte's 2026 CSO Benchmarking Survey (available on this [landing page](#)) found that more than 50% of CSOs want to learn more about sustainability-driven value measurement and business case development. While we don't have formal data, we think the reverse is also likely to be true; a similar proportion of CXO peers likely have low experience in sustainability.

At the Aspen Business & Society Summit in July 2025, Deloitte helped facilitate a breakout session with sustainability leaders (including Ann and Katherine) on how they can better demonstrate the value of sustainability investments. By the end of the Summit, more than 20 leaders had committed to keep working on it. Months of follow-up sessions later, curated by the Aspen Institute, Deloitte built a [framework](#) for the sustainability leadership community. (The authors are grateful to the [many senior sustainability leaders](#) who contributed to this thinking.)

The work came out of the realization that over the past decade, sustainability reporting frameworks (e.g., GRI, SASB, ISSB, CSRD) have proliferated but none were built for this job of mending the CFO-CSO disconnect. External reporting frameworks don't meaningfully inform internal capital allocation choices. They consolidate the enterprise's environmental, social, and governance footprint into a composite score,

then a sector index, then a color on an investor's dashboard. That aggregation serves important disclosure; it gives investors a tool for their capital allocation based on current and future regulatory risk. But internal capital allocation decisions require a very different calculus: comparing cash flow and other impacts of alternative individual projects to each other. This requires de-averaging, not aggregation. The language of averages cannot win the day in conversations about marginal economics.

To solve this, CSOs need to be able to speak the language of capital.

Indeed, sustainability investments behave like every other investment. They create economic value in four ways—by reducing current costs, avoiding future costs, generating new revenue, or protecting existing revenue. Those four pathways map onto the two things every investment decision measures: return and risk. Most require an upfront outlay, with benefits that span anywhere from a year to the life of an asset. An investment grade case considers all possible business impact.

With this advice in mind, our framework provides two pieces of advice for CSOs as they pitch their sustainability investments.

Tell the business story first.

Before any cash-flow modeling can be useful, a leadership team needs to agree on the underlying business story—the causal chain that connects the investment to value. Start by mapping which of the four pathways the case is activating, and which (if any) dominates. Then articulate it. If we undertake a sustainability action, (one-time or ongoing), then this particular business impact occurs, which creates the following cash-flow outcome (again, one-time or over time).

While this might seem simplistic and obvious, it's also the step most often missed in stalled cases. Teams arrive with data but no shared narrative, debate assumptions for an hour, and never realize they disagree on the underlying logic. One private equity participant in the working group put it plainly: "We realized we didn't need mathematical precision first. We needed alignment on what was actually driving value—the business logic." Once the story is agreed, the math becomes a refinement question, not a credibility question.

Quantify what you can. Treat the rest as a bet, or as upside.

Some sustainability impacts can be quantified; others cannot. A carbon-pricing exposure or an avoided-penalty calculation can be modeled. A brand impact or a reputational risk often can't, at least not with a number anyone would defend in a finance review. Forcing every plausible impact into a precise number erodes credibility and produces business cases that collapse under questioning. It's like translating between languages where a comparable word doesn't exist.

This quantification challenge isn't unique to sustainability. Executives make capital decisions with incomplete data every day—marketing budgets, R&D portfolios, consumer research—quantifying what they can and bridging the rest with logic. That's running a business. Sustainability investments tend to get held to a tougher standard, asked to prove ROI to a precision few other categories are ever asked to defend. The standard should be the same for all investments.

Quantify what can be quantified, then handle the rest in one of two ways. If the quantifiable pieces already clear the internal hurdle rate, any additional impacts that might exist are upside. If the hurdle rate isn't cleared, what can't be quantified becomes an explicit bet the leadership team has to decide whether it is worth taking. Either framing

is honest. A strong capital allocator understands that judgments are informed by data, not surrendered to it.

Shifting the conversation in practice

Consider a global food manufacturer reviewing its exposure to tightening EU sourcing regulations. The CSO's proposal was for a supply-chain traceability investment to help ensure compliance. Framed as a sustainability commitment, the case struggled to gain traction. The team rewrote the business story, with protecting revenue being the dominant of the four value pathways: *If we invest in traceability* (the action), *then we protect access to regulated markets* (the impact), *and maintain sales while avoiding fines and shipment disruptions* (the cash-flow outcome). Penalties were modeled with probability-weighted enforcement scenarios; license to operate and brand value were directional. Once the question moved from "Is this good for the planet?" to "What's the cost of inaction?" the benefits were obvious.

A U.S. hospital system used a similar approach with a proposal to expand reuse of certain medical devices (equipment most hospitals throw out after a single use). The initial framing was waste reduction, a sustainability story that competed badly for capital against other priorities. Reframed: *If the hospital invests in reuse* (the action), *then it substitutes refurbished devices for new ones and cuts single-use waste* (the impact), *lowering procurement and disposal costs and protecting supply in complicated supply chains* (the cash-flow impact). The directional impacts—operational resilience, staff and patient sentiment—were upside on a case that already cleared on quantifiable grounds. Same investment. Different framing.

The thorny cases.

What about investments that appear to work financially but conflict with a sustainability commitment? For example, a sourcing decision that lowers cost but raises emissions. The temptation is to give up on cash-flow language and debate principles. That conflict is largely unnecessary. Cash-flow language still helps—if both alternatives are fully and accurately priced.

The less-sustainable path almost always looks cheaper because the model hasn't formally priced in risks like regulatory exposure, customer or talent backlash, or disposal costs. Price those risks in explicitly (either quantifiably or directionally). Then compare the sustainable version against the fully-loaded, less-sustainable one. Typically, the gap narrows considerably, often closing, so refuse abstract comparisons and make sure the initiatives are truly like-for-like.

A small set of decisions will still come down to a difficult choice that no model resolves. But most of the time, with comprehensive logic, leaders can get to a clear answer using the investment framework.

What CSOs and CFOs need to do differently.

Chief sustainability officers need financial fluency to make these cases, and closer partnerships with corporate finance and tax. (Tax can be an overlooked ally—sustainability investments often involve credits, depreciation, and incentives that shift the math materially, which is why tax adjusted cash flow rather than proxies like EBITDA are more meaningful.)

CFOs and other senior executives face a different ask. They already want one investment language; the harder demand is to give up the reflex that sustainability investments are inherently low-ROI. They should commit to patiently run through the value pathways.

Assuming sustainability proposals are bad-on-arrival kills value creating investments unnecessarily. When sustainability is framed as a business case rather than a belief system, the path to investment tends to open up.

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